

# Hundreds of Millions Pocketed by Profiteers

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The

Evening

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FINAL  
EDITION

Partly cloudy to-night and Sunday; warmer Sunday.

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PRICE TWO CENTS.

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NEW YORK, SATURDAY, JUNE 29, 1918.

14 PAGES

PRICE TWO CENTS.

## PERSHING MEN TAKE PRISONERS; NEW BATTLE WON BY FRENCH

### \$140,000,000 WAR PROFITS BY BIG PACKERS REVEALED IN PRICE GOUGING EXPOSURE

Federal Trade Board Finds \$121,000,000 Excess Over Years Before 1915—Huge Increases Also Pocketed by Steel Men and Millers.

### Why You Pay High Prices for Meat, Flour, Shoes, Milk and Canned Goods

Four of the five meat packers reaped \$140,000,000 during two years, 1915 to 1917. Of this amount \$121,000,000 was an excess over pre-war profits.

Steel mills with furnaces averaged 100 per cent. profit. One instance of 319.67 per cent. profit was recorded. The net income of the United States Steel Corporation for 1917 was \$244,738,908. This was after Federal income and excess profits taxes were deducted.

The copper industry more than doubled its profits. The average profit was over 21.4 per cent., as compared with 11.7 per cent. in 1913. The International Nickel Company made profits in 1916 of 40 per cent. or \$13,567,000.

Twenty-three bituminous coal companies in Pennsylvania averaged a profit of seventy cents more a ton than in 1916. In most cases margins of profit were two or three times normal.

The leather industry swelled its profits four or five times the usual percentage.

Flour mills averaged 38 per cent. profit of their investment. Canned milk companies were influenced by the Borden Company and the Helvetia Company. The usual profit was 65 per cent. on investment.

The salmon industry showed a clear profit of 52.8 per cent.

WASHINGTON, June 29.—The Federal Trade Commission reported to the Senate today on its investigation of profiteering, showing, among other astounding figures, that four of the big five packers reaped a \$140,000,000 profit in the war years 1915-1917, of which \$121,000,000 represented an excess over pre-war profits.

The packers, particularly, came in for heavy scoring, but other lines, including flour milling and basic industries, were shown to be realizing vast sums above peace time profits.

"However delicate a definition is framed for 'profiteering,'" said the report, "these packers have preyed upon the people unconscionably. They are soon to come under further Governmental regulations approved by executive order."

The report, intended as an exhibit wherein the Senate could base new legislation, showed among other things that Government fixation of prices on some basic industries had had an evil tendency in that it gave a great advantage to low cost concerns.

"The commission has reason to know that profiteering exists," said the report. "Much of it is due to advantages taken of the necessities of the times as evidenced in the war pressure for heavy production. Some of it is attributable to inordinate greed and bare faced fraud."

Armour, Swift, Morris and Cudahy were designated as the leaders in meat profits. The Wilson Company's profits were large, but not comparable to those of the remainder of the big five.

The profits of Morris and Company, for the fiscal year ending November, 1917, is equal to the net worth of the company (capital and surplus) and 253.7 per cent. on the \$3,900,000 capital stock outstanding. In the cases of the other four companies, the earned rate is from 27 to 47 per cent.

ONE STEEL MILL MADE 319 PER CENT. PROFIT.

No less astonishing are the revelations concerning some steel mills in class three—those which start with furnaces—and who recently com-

### \$13,800,000,000 EXPENDED BY U. S. ON WAR TO DATE

Daily Outlay at \$50,000,000  
Shown as Fiscal Year Ends—  
\$1,500,000,000 in June.

WASHINGTON, June 29.—The Government today closed its books for the fiscal year just ending—the first full fiscal year in the war—and Monday will open new annual records. Cabinet members and other heads of departments will make reports to President Wilson covering their stewardships of funds and responsibilities for the year closing to-day—or technically to-morrow.

In Government financial history the year will go down as a period of expense hardly dreamed of a decade ago. More than \$13,800,000,000 in the actual outlay since July 1, 1917, to meet the multitude of big bills run up for the Army, the Navy, the ship-building programme, airplane construction, coast defense requirements, other Government activities, and the needs of the Allies for American loans to finance purchases of war materials in this country.

In peace times the Government spent less than \$1,000,000,000 annually. With the addition of the \$1,200,000,000 which the Government spent in the three months of war preceding this fiscal year, the war's cost in money, to date, has been \$13,800,000,000.

War activities are now running about \$50,000,000 a day from the Nation's public treasury, and in June the running expenses were greater than ever before, though loans to the Allies dropped to less than in any month since April, 1917, when the United States became a belligerent.

Including estimates for the last two days of the month, not yet recorded, expenditures for June were about \$1,200,000,000, or approximately the same as the record figure of May. Ordinary expenses for the month amount to about \$1,233,000,000, a new high record, and payments to Allies were approximately \$236,000,000, less than half the \$500,000,000 which the Treasury usually has figured as necessary to finance the Allied purchases in the United States every month.

Use of ships to transport troops to France, instead of for war materials, is considered responsible primarily for the reduction of Allied loans. Owing to the big inflow of income and excess profits taxes, this month's receipts for June have eclipsed all former records. From taxation and other minor sources of revenue receipts are expected to amount to more than \$2,250,000,000. Payments on Liberty bonds and certificates of indebtedness have yielded nearly \$1,400,000,000.

With figures for yesterday and to-day not yet tabulated, expenses for the entire fiscal year were reported as follows:

Ordinary expenses for various Government departments, \$7,567,000,000. Payments to Allies, \$4,708,000,000. Interest on Liberty bonds and other public debt items, \$175,000,000. Federal Farm Loans (to be repaid), \$65,000,000. Panama Canal, \$19,000,000. In addition, \$4,717,000,000 certificates issued early in the year were redeemed, \$27,362,000 one-year Treasury notes were paid and \$21,536,000 National Bank and Federal Reserve Bank notes were retired.

Receipts for the year, without records of the last two days, were reported as follows:

Liberty loans, \$7,562,000,000. Income and excess profits taxes,

### N. Y. DRAFT ARMY DIVISION HOLDING FRONT IN FRANCE; ALL TRAINED AT CAMP UPTON

Pershing Gets Back Five Other Divisions Brigaded With British.

U. S. FORCE IN ITALY

Mostly Non-Combatants, Says Gen. March in Announcement—18,000 Austrians Taken.

WASHINGTON, June 29.—The first National Army division has taken over a sector on the west front, Gen. Pershing, Chief of Staff, announced today. It is the 77th, raised in New York, trained at Camp Upton, and originally commanded by Major Gen. J. Franklin Bell. It was taken across under Major Gen. Evan M. Johnson, who is now in command. The division took over its section this week.

Five American divisions which had been brigaded with the British for training have been returned to Gen. Pershing's command with training completed. Gen. March also announced.

One of these is the 55th Division, composed of Kansas and Missouri troops, and commanded by Major Gen. William M. Wright when it left the United States.

The first American troops landed in Italy yesterday, the Chief of Staff revealed to-day. These are not the force sent by Gen. Pershing, but consist of units shipped from this country.

The troops consist largely of sanitary units, but include other special organizations, Gen. March explained. On the whole, however, it is made up mostly of non-combatant units. The combatant troops will be sent by Gen. Pershing, as previously announced.

Gen. March disclosed that the official reports from the Italian front place the number of Austrians captured at 18,000 and a large amount of war material. The line of the Piave has been entirely restored by the Italians and in some places has been slightly advanced.

Gen. March had no announcement to make to-day as to the total number of troops shipped from this country to France. Formal announcement, he said, would be made later.

Surveying the entire battlefield, Gen. March said the situation could be said to be extremely favorable to the Allies. He would make no comment upon the indications of an impending German attack.

During the last week American activities in France have been local in character, but official reports show that the Americans at all times and places have more than held their own. Gen. March said. Fine examples of individual bravery are coming in, he said.

Commenting upon the return to Gen. Pershing's command of the five divisions brigaded with the British, Gen. March said it showed clearly the success of the plan for using all facilities to give American units their final polishing. It would not have been possible otherwise, he indicated, to have secured so large a trained force for them. Pershing in no short time.

Senators of the Military Committee were told by Gen. March at their weekly conference that the accounts of the large number of captured Austrians for some unknown reason were printed only in American newspapers and not in any of Europe. The achievements of the Italians, however, according to Senators, were not minimized.

No far there is no information to confirm reports, Gen. March said, that German troops are being sent to back up the Austrians.

### DESTROYERS IN BATTLE OFF BELGIAN COAST

Four British Warcraft Have an Engagement With Eleven German Vessels.

LONDON, June 29.—Four British destroyers engaged eleven German destroyers off the Belgian coast in a long-range battle Thursday, the Admiralty announced to-day. No material damage resulted to either force.

"Four of our destroyers," says the report, "while patrolling the Belgian coast sighted eight enemy destroyers. We engaged them at long range. After an action lasting a quarter of an hour three additional enemy destroyers joined in the fight."

"We fell back to our supporting force. The enemy did not follow and the action was broken off. Our ships were not damaged."

### CONGRESS BILL PROVIDES AN OFFER OF \$50,000 PRIZE FOR TRANSATLANTIC FLIGHT

Congressman Lunn Introduces in House of Representatives To-Day Plan Suggested by The Evening World—Aero Club Offers \$10,000.

WASHINGTON, D. C., June 29.—Congressman George H. Lunn of New York, at the suggestion of The New York Evening World, introduced in the House of Representatives this afternoon a resolution authorizing the Government to offer a prize of \$50,000 for the first successful air flight across the Atlantic.

Mr. Lunn is a member of the Committee on Military Affairs and is deeply interested in all phases of American flying.

If the resolution is adopted, the Government's prize, added to the \$10,000 offered by the Aero Club of America, will make a total reward of \$60,000. The Aero Club prize is in the form of Liberty Bonds.

"Everything possible to encourage transatlantic air flights should be done," said Congressman Lunn this morning. "The successful trip of an airplane from the United States to England would be a real body blow to the Kaiser. It would convince him absolutely of the superiority of the Allies' aircraft."

"The first plane should be followed by others until the air traffic across the Atlantic will be continuous. The initial flight would be a source of encouragement to our flyers at the battlefield and would stimulate our people at home in their demand for airplane supremacy, through which they can speed up the downing of the Kaiser."

President Alan B. Hawley of the Aero Club of America says offers of machines have been made by officials of both the Caproni (Italian) and Handley-Page (English) manufacturers for the flight. Volunteers to make the initial flight are coming in from all sides. Capt. Landreth, of the Royal Italian Flying Squadron, who flew from Turin to London, and Lieut. Belton, representative in America of the Caproni plane, are both eager to go. Clifford Proctor, an American, who has been flying in England, and H. E. Byrd Jr., an American naval aviator, also want to make the trip. Mr. Proctor would select by ballot.

### GENERAL WHO TOOK CAMP UPTON DIVISION TO THE FRENCH FRONT



MAJOR-GEN. JOHNSON.

### FRENCH HOLD AISNE GAINS AGAINST TERRIFIC ATTACKS; ITALIANS WIN NEAR RHEIMS

Many Surprise Attacks Carried Out by French Troops, Says Paris War Office—Sharp Conflict on the Toul Front on American Left.

#### [FRENCH REPORT]

PARIS, June 29.—German attempts to recapture positions taken yesterday by the French south of the Aisne were repulsed after a stubborn battle, the War Office announces. Southwest of Rheims there was also sharp fighting. Italian troops in that sector hurled the Germans from advanced positions temporarily occupied.

Northwest of Montdidier forty prisoners, including one officer, were taken in a raid by American troops.

"Two German attacks for the purpose of retaking French positions south of the Aisne which were occupied by the French on Thursday night were repulsed. An attack by a number of German battalions between Fosse-en-Bas and Outry Ravine were repulsed along the new front and the French lines were held intact."

"Southwest of Rheims the Italians engaged in a sharp combat with the Germans on Bligny Heights. German detachments which had succeeded for the moment in obtaining a foothold in the Italian first lines were driven back."

"Along the French lines a number of surprise attacks were carried out during the night."

"Northwest of Montdidier American units captured forty prisoners, of whom one was an officer. In the Forest of Apremont, in Lorraine, on the left of the Americans in the Toul sector, the French likewise took prisoners and captured material. The night was calm on the rest of the front."

#### BIG GAINS BY FRENCH AND BRITISH.

In the operations yesterday the French and British troops made important gains on widely separated fronts.

The French advanced below the Aisne on a front of nearly four and a half miles, west of Soissons, between Ambleny and Montgobert. They took 1,000 prisoners and advanced a maximum depth of a mile and a quarter.

The British on the Lys salient of the Flanders front attacked on a front of three and a half miles and advanced one mile, smashing the 32d Saxons and the 44th Prussian Divisions and taking more than 1,000 prisoners and twenty-two machine guns. They captured L'Epipette Verte Rue and La Beque, and reached the Plate Beque River. The Germans were taken utterly by surprise while at breakfast and the British losses were slight.

Air fighting is the greatest of the war. The British shot down twenty enemy planes and drove down nine out of control. London admits the loss of fourteen machines. The British dropped twenty-one tons of bombs on German positions. The French shot down twenty German airplanes and four captive balloons and dropped fifty-eight tons of bombs on the Germans. Berlin claims to have winged thirty Allied airplanes and one captive balloon. In a raid into Germany, two British and three German airplanes were lost.

### TWO GERMAN FIELD GUNS CAPTURED BY THE BRITISH

London Now Announces That the Number of Prisoners Taken Yesterday Exceeds 400.

#### [BRITISH REPORT]

LONDON, June 29.—In their successful attack in Flanders, east of Nieppe Wood, yesterday the British took more than 400 prisoners, the War Office announced to-day. Following is the text of to-day's War Office report:

"The total number of prisoners taken by us in yesterday's successful

### TWO UNIFORM CONTRACTORS GET 3 YEARS IN PRISON

Hyman and Benjamin Were Convicted for Defrauding United States Out of Cloth.

Hyman and Benjamin Horowitz, army uniform contractors who were convicted in the Federal District Court last week of defrauding the Government out of large quantities of cloth, were sentenced to-day by Judge Learned Hand to three years in the Federal Penitentiary at Atlanta.

Ira L. Janowski, a civilian clerk in the Quartermaster's Department, whose juggling of the books made the thefts possible, was sentenced to two years.

### SENATORS NAME CROWDER FOR LIEUTENANT GENERAL

Put Amendment in Army Bill in Recognition of Success in Draft Work.

WASHINGTON, June 29.—Following enthusiastic praise by Senators of the administration of the army draft, the Senate to-day adopted an amendment to the Army Bill to make Provost Marshal General Enoch H. Crowder a

Lieutenant General during the war.

(Continued on Fourth Page)

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